



Financial Assistance Award

DENALI COMMISSION
 510 "L" Street, Suite 410
 Anchorage, Alaska 99501
 (907) 271-1414

Project Number
 0016-DC-2000-E3a Amendment 1

Denali Commission Accounting Code

95670000	FY00 DC Funds	\$824,000
95670000	FY01 DC Funds	\$1,500,000

Total Commission Funding	\$2,324,000
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Funds Available & Apportioned by OMB	CEE
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Recipient Name & Address

Alaska Growth Capital
 2121 Abbot Road, Suite 101
 Anchorage, AK 99507
 Phone (907) 349-4904
 Fax (907) 349-4924

Cost Share Distribution

Project	Denali Commission	Other contributors	Totals
FFY 2000 Program	\$824,000	\$7,000,000	\$7,824,000
FFY 2001 Program	\$1,500,000	\$2,000,000	\$3,500,000
Totals	\$2,324,000	\$9,000,000	\$11,324,000

Authority
 112 Stat 1854

Project Title
 Alaska Growth Capital Loan Program, Amendment 1

Award Performance Period
 From: October 25, 2000
 To: December 31, 2005

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- ☐ EDA Standard Terms and Conditions Public Works and Implementations Construction Components, dated 3/99
- ☒ Special Award Conditions and Attachments
- ☒ Line Item Budget
- ☐ 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments (www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html)
- ☐ OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments (www.whitehouse.gov/OMB/circulars/a087/a087-all.html)
- ☐ OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments (www.whitehouse.gov/OMB/circulars/a133/a133.html)
- ☒ 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations (www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html)
- ☐ OMB Circular A-122, Cost Principles for Nonprofit Organizations (www.whitehouse.gov/OMB/circulars/a122/a122.html)
- ☐ OMB Circular A-21, Cost Principles for Educational Institutions (www.whitehouse.gov/OMB/circulars/a021/a021.html)
- ☐ EDA Standard Terms and Conditions Capacity Building Programs
- ☐ Department of Commerce Financial Assistance Standard Terms and Conditions, dated 10/98
- ☒ State of Alaska Statute AS 10.13, Alaska BIDCO Act

Signature of Authorized Official – Denali Commission

Jeff Staser

Typed Name and Title

Jeffrey B. Staser, Federal Co-Chair

Date

4/26/01

Signature of Authorized Official

David Hoffman

Typed Name and Title

David Hoffman, President
 Alaska Growth Capital

Date

4-30-01

Award Conditions to the Financial Assistance Award
Project No. 0016-DC-2000-E3a – Alaska Growth Capital Loan Program, Amendment 1
Alaska Growth Capital

1. The scope of work for this financial assistance award includes:

- Financial assistance with performance measures for a loan program at Alaska Growth Capital
- Total Commission funding for *Alaska Growth Capital* through this amended agreement is \$2,324,000; total funding (including from other sources) is \$11,324,000. Commission funding is intended for use for the scope of work specified above only.

2. The Project Officer for *Alaska Growth Capital* is David Hoffman, and for the Denali Commission is Al Ewing. Either party may change project officer designation with written notification to the other party.

3. The Alaska Growth Capital Shall submit written progress reports to the Commission Project Officer as follows:

- An annual quantitative report on performance against all accountability measures due February 28 of each year. This report will be in the format of the CDFI (Community Development Financial Institution annual report;
- An annual narrative report providing brief descriptions of each of the financings and consulting engagements with businesses in “distressed” communities as defined by the Denali Commission. This report will include an accounting of all jobs created or added in a community as a result of ventures financed by Denali Commission funding through *Alaska Growth Capital*. This report is also due on February 28 of each year.
- An audited financial statement is due April 30 of each year.
- These reports shall be sent to:

Denali Commission
510 L Street, Suite 410
Anchorage, AK 99501
Fax: (907) 271-1415

The Commission reserves the right, at a future date, to direct *Alaska Growth Capital* to provide the progress reports in electronic format for posting on the Commission web page.

4. To receive funding under this agreement, *Alaska Growth Capital* must submit a "Request for Advance or Reimbursement", **Standard Form – 270**, to the Commission Project Officer.
5. The Denali Commission will review reports from each of the reporting periods identified on the attached accountability measures table. If *Alaska Growth Capital* meets or exceeds the *outstanding* level in all categories for a given performance year, *Alaska Growth Capital* will not be required to pay back an amount equal to one-fifth of the total Financial Assistance Award under any future circumstances.
6. In the event *Alaska Growth Capital* reports less than the *minimally acceptable* level for any category during any time period, the Denali Commission project officer will provide Alaska Growth Capital with written notification of "unacceptable performance." Alaska Growth Capital will be placed on performance probation and have six months to meet performance requirements for the previous year. During the probationary period, performance measures can be counted towards bringing the prior year shortfall to an acceptable level (*minimally acceptable*). Performance measures cannot be double counted in any given reporting period. If performance for the preceding year is not improved to at least the *minimally acceptable* level by the end of the probationary period, one-fifth of the amount of the Financial Assistance Award will be required to be returned to the Denali Commission within 60 days of the end of the probationary period.
7. At the end of the five-year performance period (December 31, 2005) *Alaska Growth Capital* will be allowed to convert a percentage of the total Financial Assistance Award (loan) to permanent capitalization (grant). The amount of the loan to grant conversion is equal to 20% multiplied by the number of years *Alaska Growth Capital* met or exceeded the satisfactory level for all categories. Any balance will be returned to the Denali Commission within 60 days of the end of the performance period.
8. No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Alaska Growth Capital ACCOUNTABILITY MEASURES

Revised April, 2001

Measure 1: Total annual financing disbursements to businesses in communities defined as "distressed" by the Denali Commission. The list of "distressed" communities will include at a minimum the communities listed in the Commission's issue paper of September 1, 2000.

	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	Total
Outstanding	1,013,625	1,073,250	1,132,875	1,192,500	1,252,125	5,664,375
Satisfactory	655,875	715,500	775,125	834,750	894,375	3,875,625
Minimally Acceptable	536,625	596,250	655,875	715,500	775,125	3,279,375

Measure 2: Total annual financing disbursements to **Alaskan - owned** businesses in communities defined as "distressed" by the Denali Commission.

	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	Total
Outstanding	894,375	954,000	1,013,625	1,073,250	1,132,875	5,068,125
Satisfactory	536,625	596,250	655,875	715,500	775,125	3,279,375
Minimally Acceptable	417,375	477,000	536,625	596,250	655,875	2,683,125

Measure 3: The total annual payroll at all AGC-financed companies in distressed communities.

	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	Total
Outstanding	620,100	691,650	763,200	834,750	906,300	3,816,000
Satisfactory	150,000	286,200	357,750	429,300	500,850	1,724,100
Minimally Acceptable	143,100	214,650	286,200	357,750	429,300	1,431,000

Measure 4: Number of technical assistance engagements provided to businesses that operate in "distressed" communities. A "technical assistance engagement" is defined as a minimum of 8 hours of assistance provided by Alaska Growth Capital. These engagements will cover a broad range of topics, as defined by the needs of the business.

	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	Total
Outstanding	24	26	26	26	26	129
Satisfactory	17	19	19	19	19	93
Minimally Acceptable	10	12	12	12	12	57



DENALI COMMISSION

510 'L' Street, Suite 410
Anchorage, Alaska 99501

(907) 271-1414
Fax (907) 271-1415
Toll Free (888) 480-4321
www.denali.gov

April 26, 2001

Mr. David Hoffman
Alaska Growth Capital
2121 Abbott Road, Suite 101
Anchorage, AK 99507

Re: Financial Assistance Award for the Alaska Growth Capital program amendment

Dear Mr. Hoffman:

Please review the attached financial assistance award, scope of work, and other materials developed jointly by Alaska Growth Capital and the Denali Commission.

If the award is acceptable to Alaska Growth Capital, please sign the three original documents within 30 days of the date of this letter. Return two of the signed award agreements and retain the third for your records.

If you have any questions, please feel free to call either Al Ewing or me at the above number.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Staser", written over a horizontal line.

Jeffrey B. Staser
Federal Co-Chairman